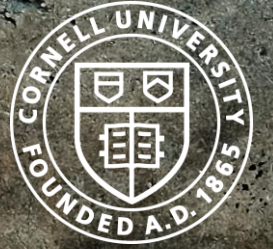


ILR CAHRS



TALENT STRATEGIES

In An Ever-Changing
Work Environment

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and Holly Harmon

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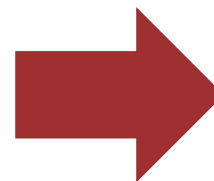
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STUDY FOCUS

Research Question

How are companies rethinking talent strategies to remain competitive, as they navigate in a post-pandemic environment?



TOPICS OF FOCUS

- Work Modalities
- Pain Points
- Leadership Capabilities
- Overall Themes

As the world continues to navigate the impact of the ongoing COVID-19 pandemic, many companies are finding that their previous talent strategies are no longer effective in a rapidly changing business environment. In response, many are starting to rethink their approach to talent management in order to remain competitive and adapt to the new normal. This often involves a shift towards more flexible and remote work arrangements, as well as a greater focus on employee development and retention.

Additionally, companies are increasingly prioritizing new leadership capabilities that will support new work models while pushing forward organization's competitive advantage. By adopting these and other strategies, companies can position themselves to not only survive but thrive in a post-pandemic world.



RETURNING TO WORK: Implications of Modality

Modalities Across Organizations

According to our survey, only 3 out of 16 organizations kept all of the same work modalities as they had during the pandemic. While the other 13 organizations mostly shifted to hybrid work instead of full remote modalities, these non-traditional work arrangements have become an established part of many organizations' work modality.

However, it is clear that the pandemic had a significant impact on the way that many organizations approached work. With the ending of the official Covid-19 Pandemic companies are moving away from the strict modalities they had in place for safety, yet many organizations are not returning to the traditional 9-5, in the office, set up.

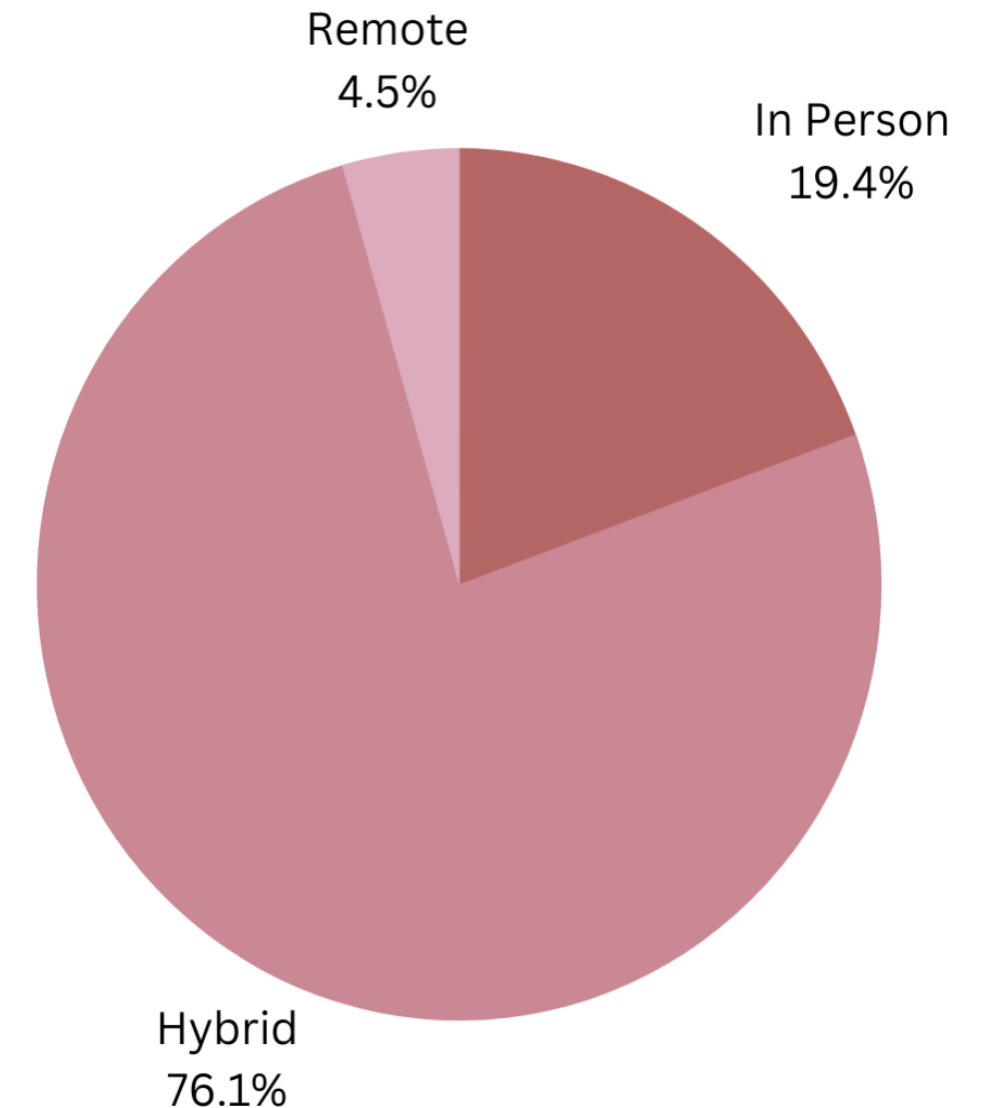


Only 3 out of 16 organizations kept the same work modalities as they had in the pandemic

Hybrid as the “Newest Normal”

Hybrid work modalities can vary greatly between different organizations. For example, one organization may allow employees to work from home on a full-time basis, while another organization may require employees to come into the office a certain number of days per week. Additionally, the specific tools and technologies that organizations use to support hybrid work may also vary, as each organization has its own unique needs and priorities.

Overall, there is no one-size-fits-all approach to hybrid work, and organizations must tailor their hybrid work strategies to meet their specific needs and goals.



The distribution of work arrangements across the participating companies

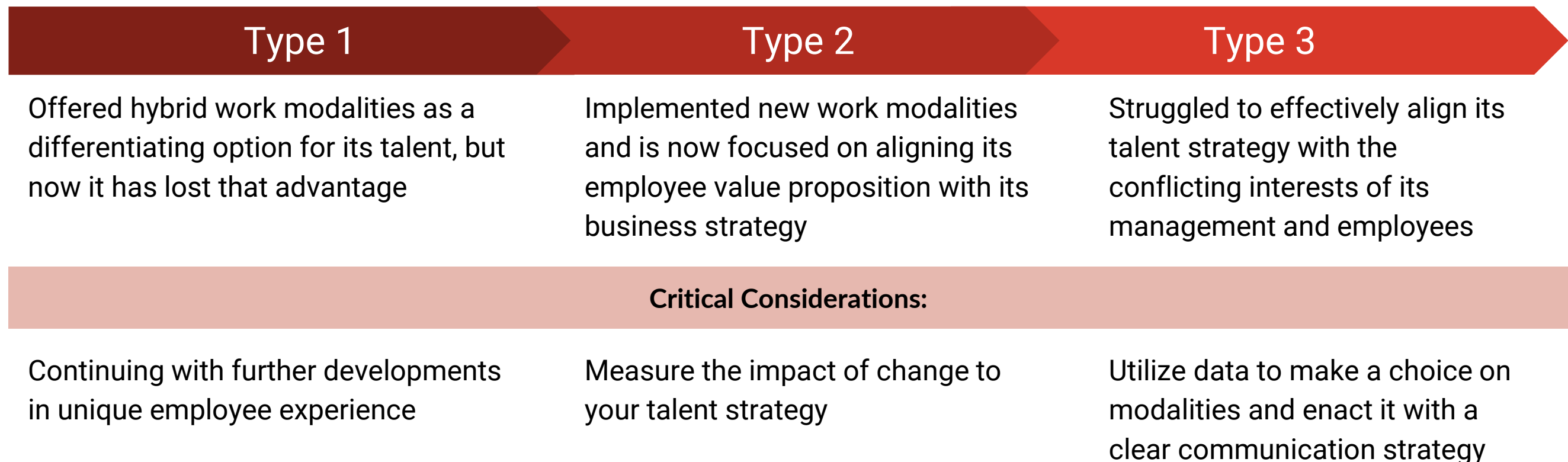
100% of Surveyed Companies are Keeping Some Type of New Work Modality.



According to our survey, 100% of companies we surveyed are maintaining some form of hybrid work modality. This means that they are allowing employees to work from home at least part of the time, while also maintaining a physical workspace for them to use when necessary. This approach has become increasingly popular in recent months, as it allows employees to have more flexibility and control over their work environment, while also allowing organizations to maintain some level of in-person collaboration and communication. Our survey suggests that this trend is likely to continue in the near future, as more and more companies see the benefits of adopting a hybrid work model.

Types of Organizations Navigating New Modalities

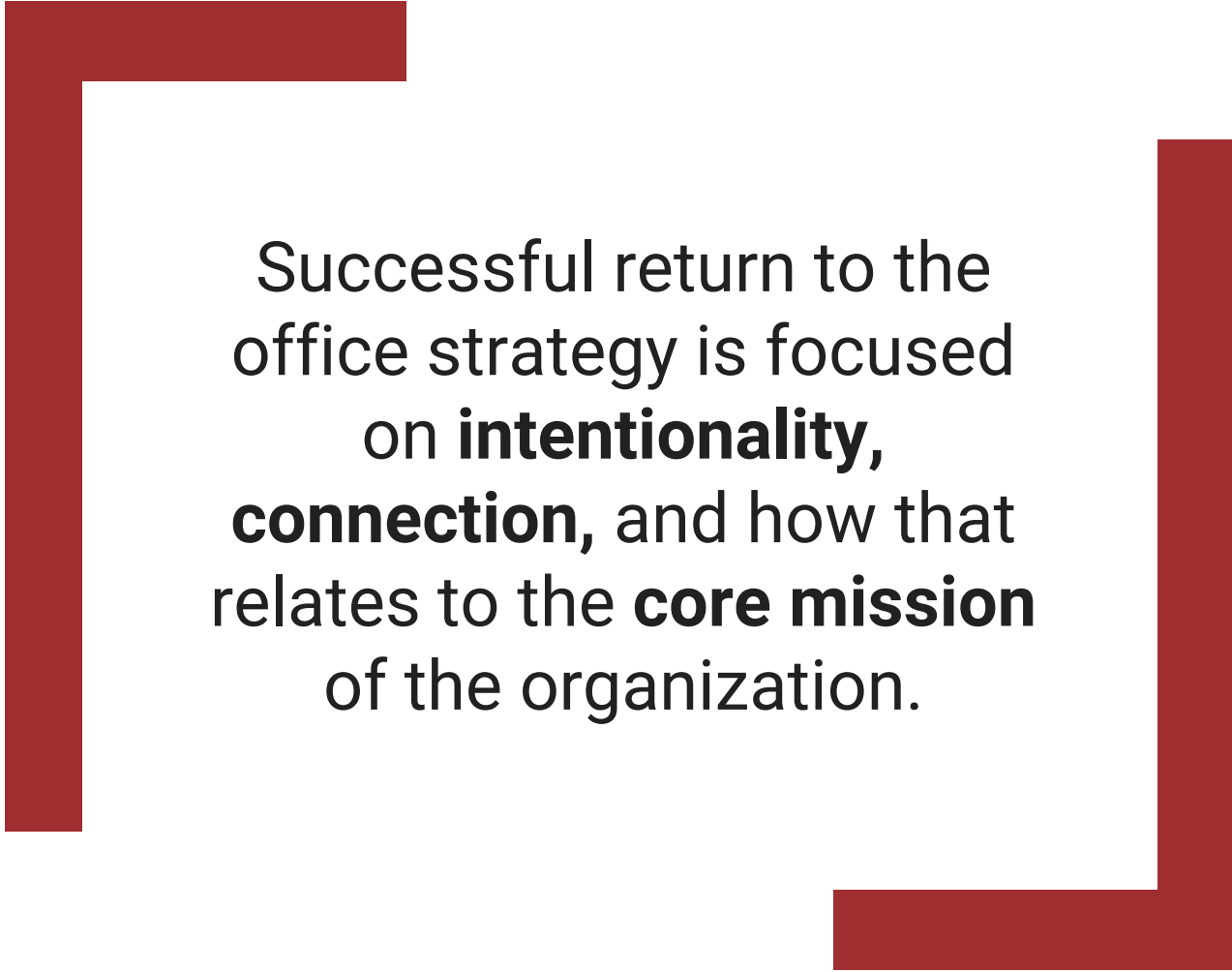
At the moment, there are three types of hybrid organizations. The first type includes organizations that were using hybrid work models before the pandemic and were able to quickly adjust to the new circumstances. However, this quick shift may have come at the cost of losing a unique offering or advantage that they had previously. The second type includes organizations that are using the shift to a hybrid work model as an opportunity to strengthen their employee value proposition and become more flexible in the long term. Finally, the third type includes organizations that are struggling to get their employees back into the office again. These companies may be awaiting some larger push from leadership that directly states a date or time employees will return or they are using strategies such as interesting events in the office to bring people back into the office.



Returning to In Person Work With Intention

More than ever employees want to know why they need to come into work. Many employees who were given more flexibility during the pandemic do not wish to go back to how things were before. What is the reason for a full in-person return to work and it can't just be "that's how we do it at our organization". Employees are looking for more intentionality with modality decision-making, especially if it will reduce their flexibility and ability to make decisions regarding modality.

Organizations that have been successful in bringing employees back into the office focus on intentionality and connection to the core mission of the organization. Food trucks and days of excitement may bring people back for a day, but these strategies are unsuccessful in the long term. Utilizing data to understand working patterns and the experience of employees currently within and outside the organization strengthens any decision. In addition, major disconnects were seen between what leaders believed the modality and experience for employees need to be and what employees believe it needs to be.



Successful return to the office strategy is focused on **intentionality, connection,** and how that relates to the **core mission** of the organization.

Returning to In Person Work With Intention

Several organizations that are still planning to push their employees to return to the office have cited a strong push from senior leadership to do so. This is because upper leadership is unsure how the company culture would transfer to a hybrid work environment, and they are also concerned about being able to monitor employee productivity without being able to physically see them working in the office.

There is often a disconnect between the assumptions and concerns of leadership and the performance data that was collected during the organization's period of fully remote work. This reveals differences in how management and employees perceive productive work, and the need for performance data and metrics to accurately assess employee performance. This disconnect highlights the importance of having clear performance metrics and data, as well as effective communication between leadership and employees, in order to successfully navigate the transition to a hybrid work model.



Need for In Person Elements for New Hires



One area where the use of in-person work may be necessary, at least temporarily, is when new employees join a company. Many companies have found that new employees can learn and adapt more quickly when they are able to work in person with their team and learn from experienced colleagues.

This is particularly important for early career programs, as it can have a significant impact on a new hire's understanding of the business and how it operates.

Additionally, remote hires often lack a sense of "embeddedness" and connectedness to the organization, which can be a major pain point. By bringing new hires into the office for the beginning of their tenure, companies can intentionally create connections between the employee, their team, and the organization as a whole. This can help to ensure that new hires are able to hit the ground running and become productive members of their team more quickly.

Hybrid Work Elements of Success

Organizations have had success with navigating work modalities when they utilize three elements: technology, in person orientation, and consistent communication.

- 1. Technology:** In order for employees to work remotely or in a hybrid model, they need to have access to reliable technology such as computers, internet connectivity, and communication tools. Without these, it can be difficult for employees to complete their work tasks and stay connected to their colleagues and management.
- 2. In-person orientation:** While virtual orientation can be helpful, in-person orientation is often more effective at introducing new employees to the company culture and their colleagues. It can also be easier for employees to ask questions and get a sense of the physical workspace during an in-person orientation.
- 3. Consistent communication:** In order for employees to effectively work remotely or in a hybrid model, there needs to be consistent communication between all levels of the organization. This can include regular check-ins with management, clear guidelines for communication and collaboration, and access to resources and support when needed.

Overall, by having reliable technology, in-person employee orientation, and consistent communication, companies can better support new work modalities and ensure that their employees are able to work effectively and efficiently, regardless of location.



IMPACTS ON TALENT STRATEGY

Top Pain Points

Our survey data reveals that Talent Acquisition, Retention and Engagement are top pain points for companies across industries and across levels.

Talent Acquisition is the number one pain point for most groups. For senior leaders, job pressures and burnout have been a major concern and make it difficult to attract talent. For Field and Manufacturing roles, the inability to have more flexibility, and compensatory pressures posed by technology companies for blue collared workers have added to talent acquisition being a pain point.

Retention has been the second biggest pain point due to the Great resignation observed over the last few years. We observed significant experimentation in tackling engagement. There is still a learning curve to be scaled on how to permeate culture from a distance.

Rewards and pay have been a concern for Manufacturing / Plant roles as companies try to compensate for roles which lack flexibility.

Overall, these pain points highlight the challenges that organizations face as they navigate the changing landscape of work.

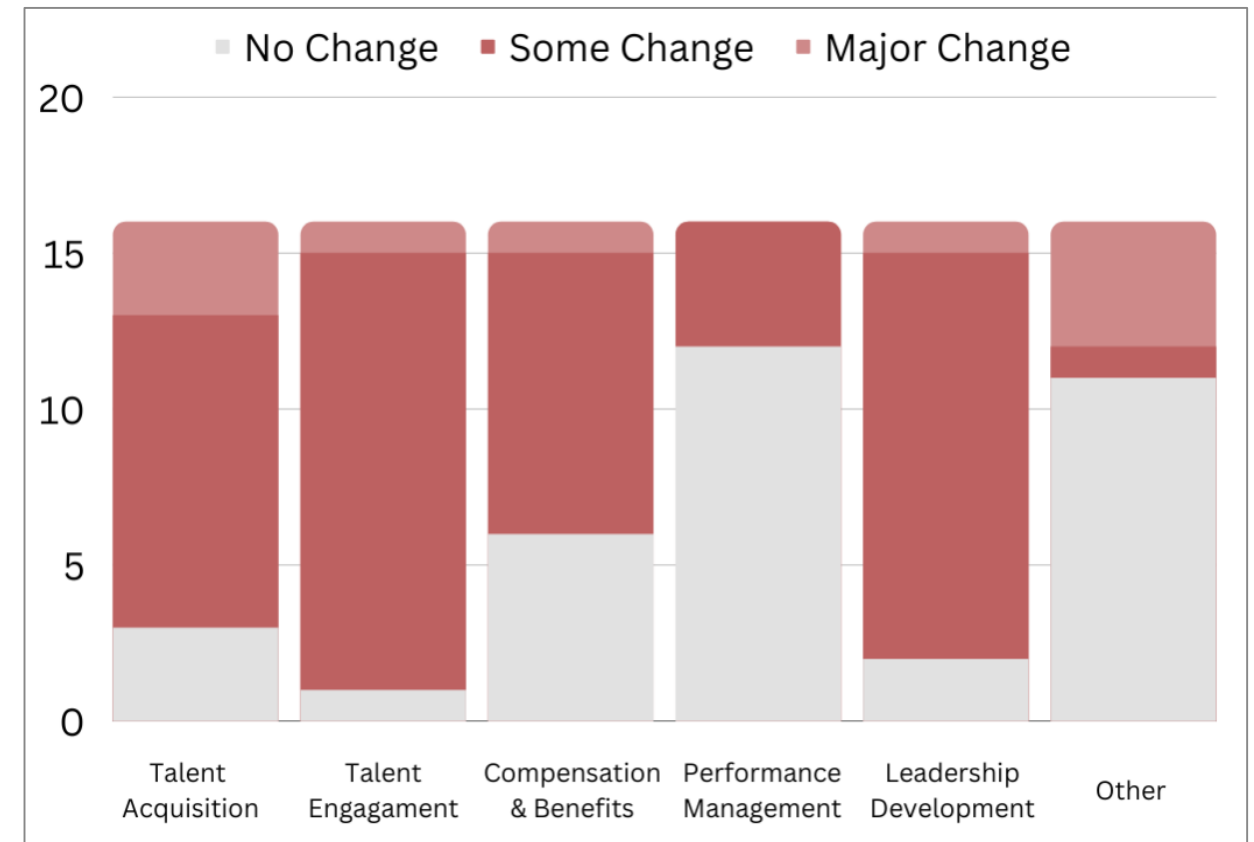
	Senior Leader	Regional Offices	Corporate Offices	Field	Manufacturing / Plant
1	Talent Acquisition	Retention	Retention	Talent Acquisition	Talent Acquisition
2	Retention	Engagement	Talent Acquisition	Retention	Retention
3	Engagement	Talent Acquisition	Engagement	Engagement	Rewards & Pay

Implications for Talent Strategy

Engagement: This area has experienced substantial change. Companies are still navigating how to engage employees in environments where traditional socialization channels no longer exist. There are increasing investments in weekly events or activities to get employees back to the office, however, the benefits of these are very short lived.

Compensation: With the Great Resignation and tight labor market conditions, compensation has been increasingly used as a lever to retain high potential employees. It has also been used as an incentive to attract talent for hard to fill positions which might not have flexibility.

Performance Management: While we did not observe significant changes in performance management methods and tools, companies are investing in training for leaders on how to assess performance by outcome versus attendance and how to avoid proximity and other biases. A grey area still exists when it comes to measuring outcomes for knowledge workers, where we see a learning curve yet to be scaled.



Focus on Manufacturing / Plant Groups

An area where we observed considerable implications on talent strategy, is the approach used for employees in manufacturing or plants. Companies are recognizing the shifting gears in manufacturing.

For the past few years, talent acquisition and retention have been a challenge for manufacturing and plants. Additionally, the benefits of the new work trends have not always been experienced by this group. This has created inequities within the organization when it comes to an employee's experience. For instance, if an organization prides itself on its value proposition of flexibility, and it does not apply to a segment of employees, it can lead to perceptions of inequity.

Some of the remedies used by companies, and the trends we observe for this group are listed below:

- **Rethinking EVP:** The one size fits all approach for curating an effective EVP is no longer suitable. Companies need to be more intentional about what value it promises to each group, and how it actualizes it.
- **Understanding newer models of flexibility:** Hybrid for this group has a new meaning. Companies can still provide flexibility to its employees and provide more control with models of split shifts, four-day work weeks, and select remote working days if the role allows for it. Understanding what operational model allows for flexibility while also meeting business needs is a learning curve. However, we do observe more openness to change in this area.
- **Focus on benefits and career progression:** Companies have been able to tap into additional benefits for this group to make up for the lack of flexibility. Additionally, providing career advancement opportunities and facilitating transitions to exempt positions have been effective.

CHANGES TO LEADERSHIP CAPABILITIES

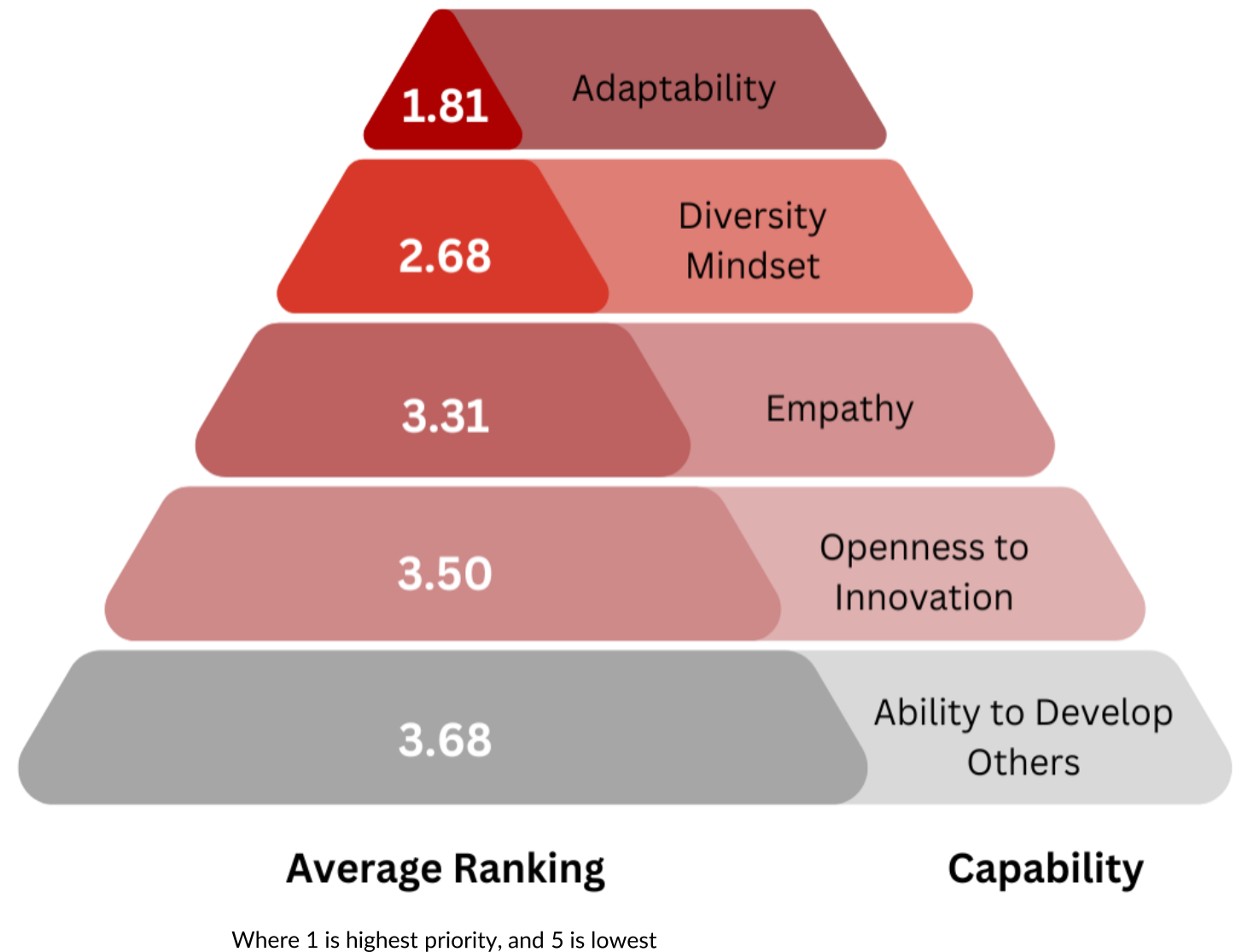


Adaptability Emerged as the Most Impactful Leadership Capability

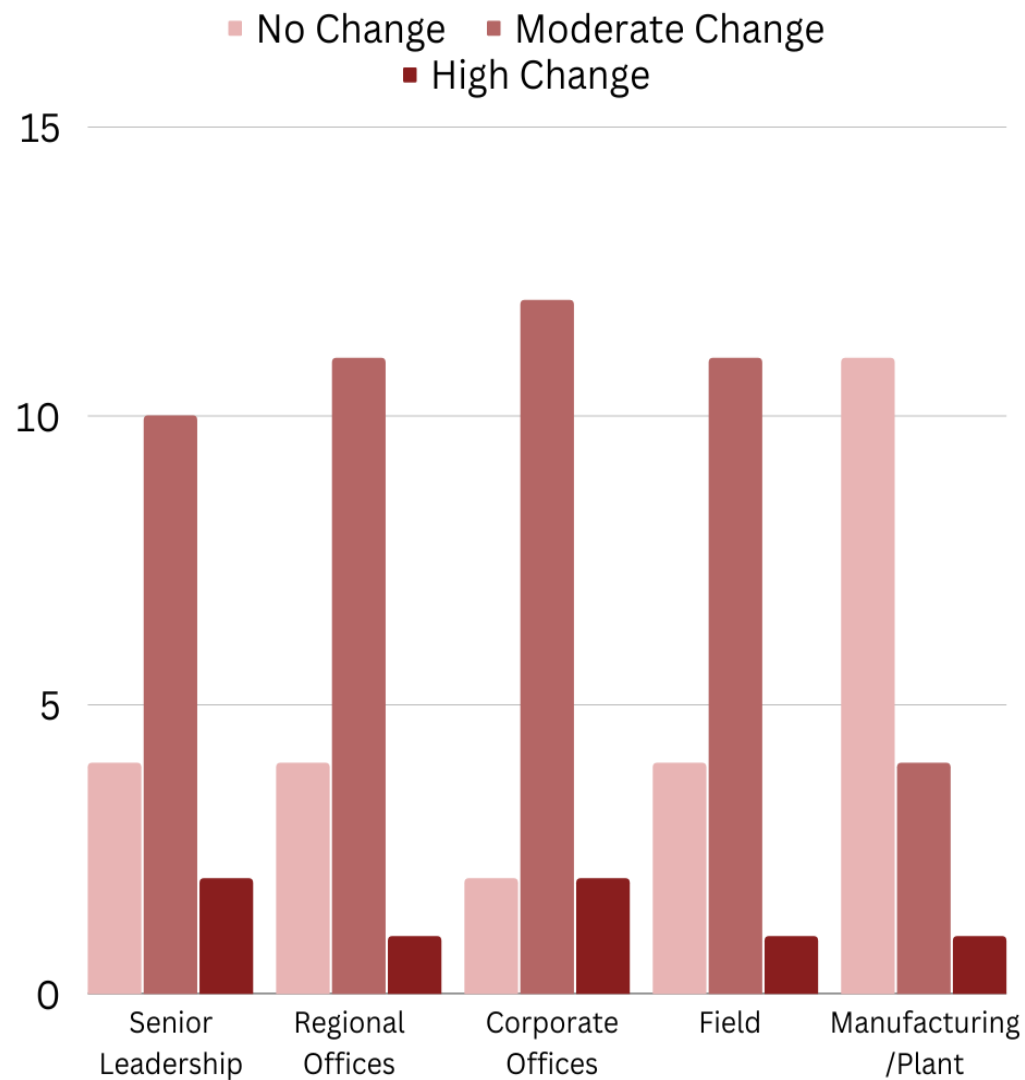
Adaptability, agility, and resilience are essential characteristics for long-term business success, according to 82% of respondents in our survey.

These traits allow businesses to quickly and effectively respond to changing circumstances and market conditions. They also enable businesses to bounce back from setbacks and continue operating effectively despite challenges or adversity.

In today's fast-paced and constantly evolving business environment, the ability to adapt and remain agile is crucial for success. Companies that can demonstrate these qualities are more likely to thrive and achieve long-term success.



Leadership Expectations Have Changed

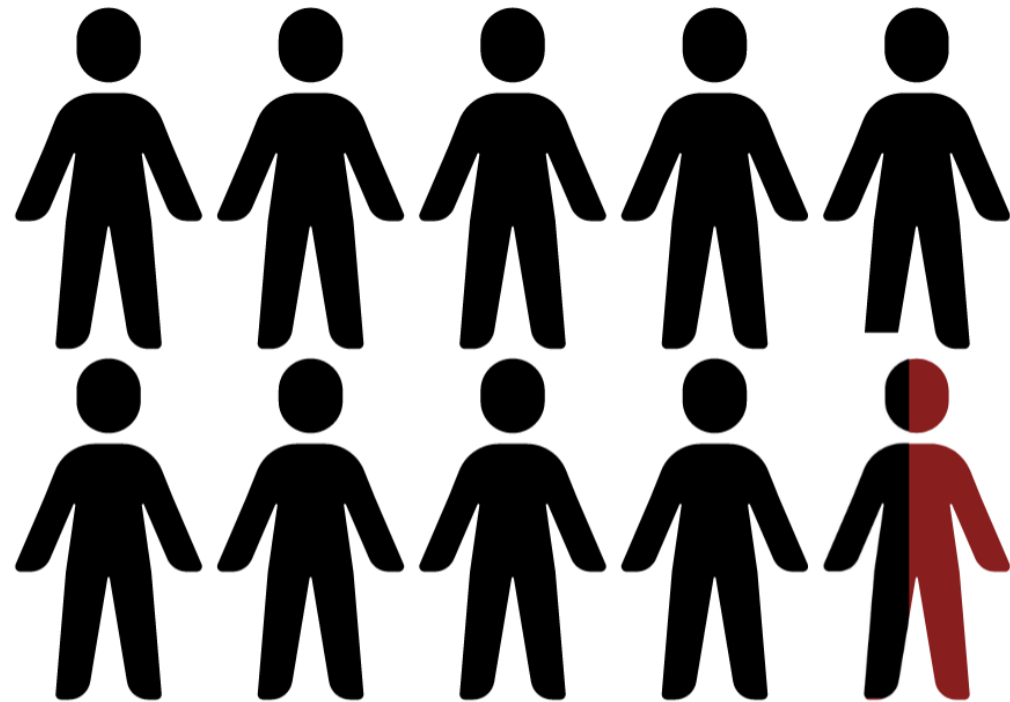


Across the majority of job groups there was moderate change in approaches to building leadership capabilities with 82% of respondents indicating considerable changes in building leadership capabilities for senior and regional leaders.

Novel leadership development approaches for senior and regional leaders focus on gaining critical mass of adaptable leaders with a diversity mindset and empathetic approach. However, these leaders face unprecedented time management requirements, overwhelming collaboration pressures, and not only employee burnout, but their own burnout challenges as well.

Although some changes have occurred at the manufacturing level, they were understandably least impacted by new work modalities. However, our study found some emerging developments in hybrid manufacturing which focused on improving equity.

Leadership Still Plays a Major Role in Shaping Culture



94% of respondents indicated moderate to high change in building leadership capabilities for corporate offices.

Leadership plays a significant role in shaping and defining the culture of an organization. In today's business landscape, with the increased need for remote work and the ability to lead regardless of physical presence, strong leadership is more important than ever.

Leaders can set the tone for the entire organization and can help to create a culture that is supportive, collaborative, and inclusive. In addition to this, leaders must also work to overcome productivity paranoia and focus on fostering effective collaboration among team members.

This involves creating a culture that values and prioritizes teamwork, communication, and trust, which can ultimately drive success and productivity. Overall, the role of leadership in shaping culture and fostering collaboration is critical for the long-term success of any organization.

CONSIDERATIONS FOR THE FUTURE



Aligning HR Strategy for Competitive Advantage



Being intentional about what you reward, celebrate, and condone to reinforce the values of the business. Several successful multinational firms frequently benchmarked their company's employee value proposition (EVP) against competitors and focused on elements which differentiate their organization.

One large multinational firm will continue hybrid/remote because it saw better business results and employee engagement over the pandemic— individual flexibility was a benefit for individuals, but not the heart of their decision to keep a flexible work modality moving forward.

Changes to work modality and leadership capabilities has made it imperative that organizations focus on intentional change that aligns with their mission and strategy. This study found that top post-pandemic talent strategies were developed with intentionality in the design and execution. By Aligning HR strategy to competitive advantages, firms were superior at responding to changing conditions on the ground and to cultural differences across the globe.

Refining EVP With Changing Employee-Employer Relationships

As the nature of work and employee-employer relationships evolve, it is important for organizations to regularly review and refine their employee value proposition (EVP). The EVP is a critical component of an organization's culture, and it represents the value that the company provides to its employees in return for their skills, knowledge, and experience.

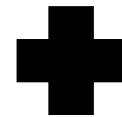


Discussions of Equity

Greater Autonomy & Flexibility

Allows individuals to better balance their work and personal lives.

Especially beneficial for women, who are often responsible for caregiving tasks and may struggle to conform to traditional 9-to-5 work schedules.



Removes Long Commutes & Costs

Commutes can be especially burdensome for women and people with disabilities.

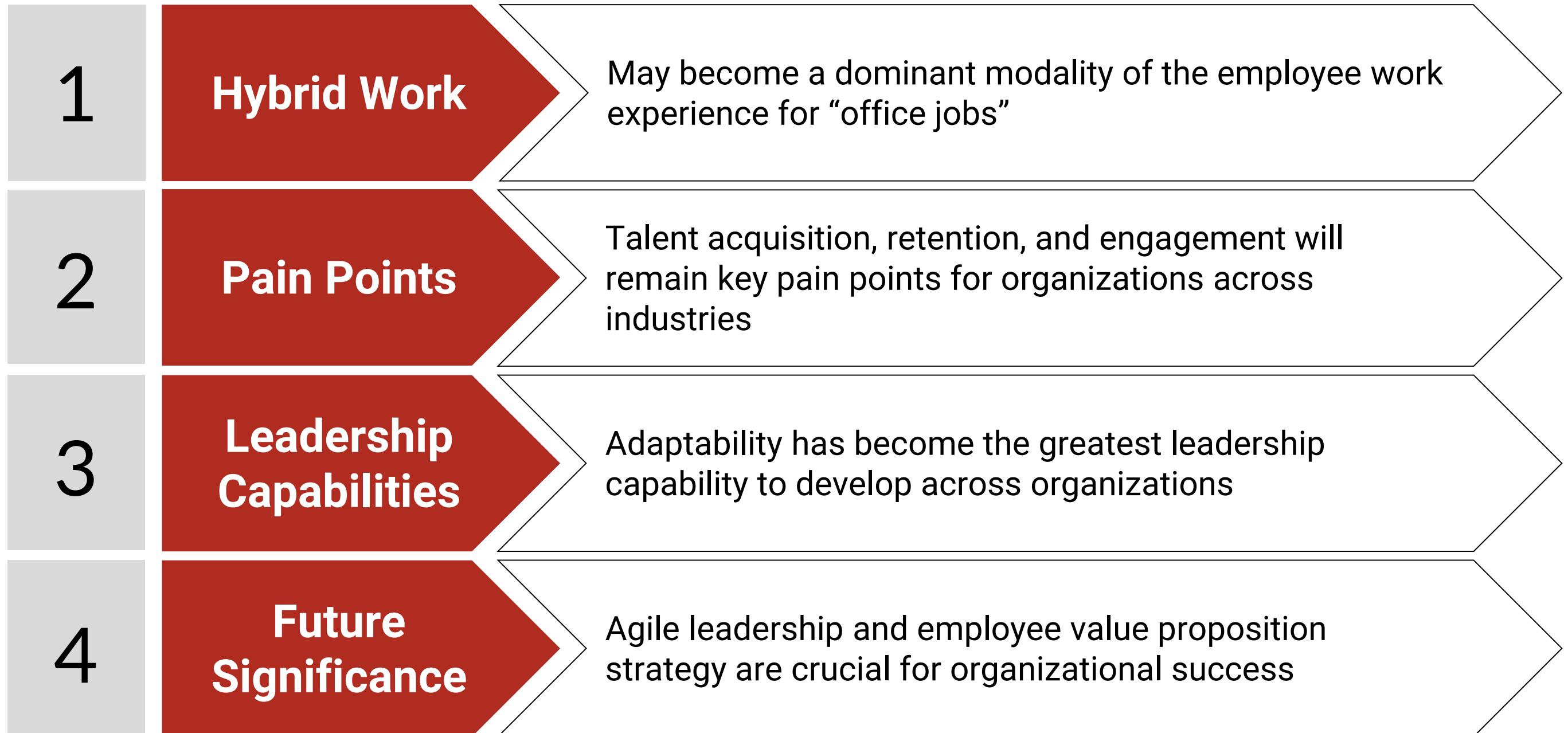
Can reduce costs for transportation and housing.



Increase in Equity

Hybrid work makes it easier for women and other underrepresented groups to succeed in the workplace.

Final Takeaways



METHODOLOGY

This research was supported by 16 CAHRS partner companies. Our team conducted a qualitative study in collaboration with those 16 companies spanning multiple industries, and interacted with talent leaders with a pulse on their organization's talent strategy.

In addition to conducting focused interviews, we also conducted a survey to get a pulse on the pre and post pandemic modalities, talent challenges they face currently, and leadership development initiatives.



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